



GIFT OF  
Paul A. Sinsheimer



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C O P Y (Original filed with  
Railroad Commission of California  
State Building, Civic Center  
San Francisco, California)  
Application No. 2985

REPORT OF THE BOARD OF ARBITRATION  
IN THE WAGE CONTROVERSY

between

SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS

and

CARMEN'S UNION - DIVISION #192  
AMALGAMATED ASSOCIATION OF STREET & ELECTRIC  
RAILWAY EMPLOYEES OF AMERICA

BOARD OF ARBITRATION

Paul A. Sinsheimer-Chairman  
George C. Kaufman  
John S. Drum

- - -

APPEARANCES

FOR THE UNION: L. F. Laytham, L. Lebowsky, E. Mohr and J. W.  
Rutland (Committee of Carmen's Union); W. B.  
Fitzgerald, Vice-President of the Amalgamated  
Association of Street and Electric Railway  
Employees of America.

FOR THE COMPANY: W. R. Alberger, Vice-President San Francisco-  
Oakland Terminal Railways, and Dudley Cates.

COPY (Original filed with  
Railroad Commission of California  
State Building, Civil Center  
San Francisco, California)  
Application No. 2325

REPORT OF THE BOARD OF ARBITRATION  
IN THE WAGE CONTROVERSY

HD5325

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1918

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SOCIAL  
SCIENCE

CARMEN'S UNION - DIVISION 1122  
AMALGAMATED ASSOCIATION OF STREET & ELECTRIC  
RAILWAY EMPLOYEES OF AMERICA



GIFT OF

Paul A. Sinsheimer

BOARD OF ARBITRATION

Paul A. Sinsheimer-Chairman  
George D. Kaplan  
John S. Drum

APPEARANCES

FOR THE UNION: L. F. Laytham, L. Lebowitz, H. Mohr and L. W.  
Rutland (Committee of Carmen's Union); W. E.  
Fitzgerald, Vice-President of the Amalgamated  
Association of Street and Electric Railway  
Employees of America.

FOR THE COMPANY: W. E. Alberger, Vice-President San Francisco-  
Oakland Terminal Railway, and Dudley Gates.



REPORT OF THE BOARD OF ARBITRATION  
IN THE WAGE CONTROVERSY BETWEEN  
SAN FRANCISCO-OAKLAND TERMINAL RAILWAYS  
and  
CARMEN'S UNION - Division #192  
AMALGAMATED ASSOCIATION OF STREET & ELECTRIC  
RAILWAY EMPLOYEES OF AMERICA

These proceedings grew out of a wage controversy between the San Francisco-Oakland Terminal Railways and its Employees in the Carmen's Union, Division No. 192.

The San Francisco-Oakland Terminal Railways operates a system of street railways, fast interurban electric railways and ferry boats. Its street railways serve a number of municipalities fronting on the shore of San Francisco Bay, in Alameda and Contra Costa Counties, including the cities of Oakland, Alameda, Berkeley, Richmond, Hayward and Piedmont, and embracing a territory of approximately 300,000 population. Its ferry boats and electric trains operate between the City of San Francisco and the cities of Oakland, Berkeley and Piedmont. The entire system embraces within its scope the largest cities on San Francisco Bay, with a population of approximately 800,000 people.

The Carmen's Union, Division No. 192, consists of approximately 1,100 men employed as motormen, conductors and brakemen on the system of the Company.

This railway property consists of two sections: the Oakland Traction Company, commonly known as the "Traction Division," embracing the street railway service; and the San Francisco, Oakland and San Jose Railway, commonly known as the "Key Division," embracing the fast electric train service to the piers and the ferry boats which connect with San Francisco.

The company and its men have enjoyed a prolonged period of harmonious relationship, which has never been marred by either strike, lockout nor bitter disputation. This relationship has been marked by a series of agreements which have prescribed and defined in detail the working conditions and the wages of the men. The employees are banded together in complete unionism. This Union is duly recognized by the Company and the agreements are all made in its name, on behalf of its membership.

The conditions of employment between 1908 and 1917 were embodied in an agreement entered into on February 29th, 1908. This agreement is appended hereto and marked "Supplement No. 1."

On June 17th, 1917, the Carmen's Union called the agreement into question and asked for a modification of its terms. These modifications were adjusted satisfactorily with the Company, with the exception of the new wage proposals made by the men. It was thereupon agreed between the Company and the Union that the question of wages should go to Arbitration.

REPORT OF THE BOARD OF DIRECTORS  
IN THE YEAR ENDING DECEMBER 31, 1917  
THE TRANS-CONTINENTAL RAILWAY COMPANY  
and  
CARROLL'S UNIT - DIVISION 1112  
AMERICAN RAILWAY UNION OF NORTH AMERICA  
RAILWAY DIVISION OF AMERICA

These proceedings grew out of a wage controversy between the  
and Trans-Continental Railway Company and the employees in the  
Carroll's Unit, Division No. 1112.

The Trans-Continental Railway Company operates a system of  
direct railroads, and interurban electric railways and ferry boats.  
Its street railways serve a number of municipalities fronting on the  
shore of the Province Bay, including and other municipalities, in-  
cluding the cities of Ontario, Alberta, Saskatchewan, Manitoba,  
and British Columbia, and extending a service of approximately 800,000  
miles. Its ferry boats and electric ferries operate between the  
City of the Province and the cities of Ontario, Alberta and British  
Columbia. The entire system within the range the largest cities in the  
Province has, with a population of approximately 800,000 people.

The Carroll's Unit, Division No. 1112, consists of approximately  
1,100 men employed as conductors, engineers and firemen on the system  
of the Company.

This railway property consists of two sections: the Ontario Trans-  
continental, commonly known as the "Trans-Continental", operating the  
street railway service; and the New Brunswick, Ontario and New York  
Railway, commonly known as the "New York Division", operating the  
electric train service to the place and the ferry boats which connect  
with the Trans-Continental.

The Company and its men have enjoyed a prolonged period of  
harmonious relations, which has never been marred by either strike  
lockout or bitter dissension. This relation has been marked by  
a series of agreements which have been renewed and defined in detail the  
working conditions and the terms of the men. The employees are united  
together in a single union, the Union is fully recognized by the  
Company and the agreement will take into name, on behalf of the  
employees.

The conditions of employment between 1908 and 1917 were embodied in  
an agreement entered into on January 22nd, 1908. This agreement is  
attached hereto and marked "Agreement No. 1".

On June 17th, 1917, the Carroll's Unit called the agreement into  
question and asked for a modification of its terms. These modifica-  
tions were adjusted satisfactorily with the Company, with the exception  
of the new wage proposals made by the men. It was therefore agreed  
between the Company and the Union that the condition of wages should  
be as follows:

Accordingly, on August 25th, 1917, an agreement of arbitration was entered into between the Company and the Union. This agreement appears as "Supplement No. 2" to this report, to which reference is here made. This agreement provided for three arbitrators:

Mr. George C. Kaufman	nominated by the Union;
Mr. John S. Drum	nominated by the Company;
and Mr. Paul A. Sinsheimer, Chairman,	selected by the Union and the Company.

The function of the Board was to investigate and determine a fair and reasonable wage scale for the platform men of the Company. The agreement of arbitration required that in reaching its conclusions the Board should consider the four following elements:

- (1) The value of the services rendered by the men.
- (2) The wages paid on traction and interurban lines in other communities.
- (3) The cost of living in Oakland and the other East Bay cities, as compared with other communities.
- (4) The financial ability of the Company, in view of its present income and growing operating costs, to pay an increased wage.

The Board reached and announced its conclusions in a memorandum on November 2nd, 1917. This complete and final report is presented in compliance with the full requirements of the arbitration agreement, so that it may be made available as a detailed record for the purposes of the Railroad Commission of California.

The issues presented may be briefly summarized. The wage schedule prevailing between 1908 and 1917 and which has been called into question by the men provides for the following compensation:

#### OAKLAND TRACTION COMPANY

##### Conductors and Motormen:

1 year and less inservice	30¢ per hour
Between 1 and 2 years in service	31¢ "
Between 2 and 3 " " "	32¢ "
Between 3 and 4 " " "	33¢ "
Between 4 and 5 " " "	34¢ "
Between 5 and 6 " " "	35¢ "
Between 6 and 7 " " "	36¢ "
Between 7 and 8 " " "	37¢ "
Between 8 and 9 " " "	38¢ "
Between 9 and 10 " " "	39¢ "
Over 10 years in service	40¢ "



Accordingly, on August 28th, 1917, an agreement of arbitration was entered into between the Company and the Union. This agreement appears in "Attachment No. B" to this report, to which reference is here made. This agreement provided for three arbitrators:

and Mr. Paul A. Simons, Chairman, selected by the Union and the Company;  
Mr. John A. Horn  
Mr. George H. Kallman  
nominated by the Union;  
nominated by the Company;

and reasonable ways available for the delivery of the company. The agreement of arbitration provided that in reaching its conclusions the board should consider the following elements:

- (1) The value of the services rendered by the man.
- (2) The wages paid on transient and intermittent lines in other communities.
- (3) The cost of living in Oakland and the other Western cities, as compared with other communities.
- (4) The economic ability of the community, in view of the present known and probable economic outlook, to pay an increased wage.

The Board received and announced its conclusions in a memorandum on November 2nd, 1947. This document was filed in the report is presented in compliance with the provisions of the California Constitution, so that it may be made available as a public record for the purpose of the California Government at California.

The answer presented may be briefly summarized. The word "substantive" prevailing between 1908 and 1917 and which has been called into question by the new movement for the following explanation:

## УВАЖЕНИ ПОШТАРЕ СТАВРАЊА

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Year	Month	Day	Time	Location	Remarks
1964	12	15	10:00	San Francisco	Arrived at airport
1964	12	16	10:00	San Francisco	Left airport
1964	12	17	10:00	San Francisco	Arrived at airport
1964	12	18	10:00	San Francisco	Left airport
1964	12	19	10:00	San Francisco	Arrived at airport
1964	12	20	10:00	San Francisco	Left airport
1964	12	21	10:00	San Francisco	Arrived at airport
1964	12	22	10:00	San Francisco	Left airport
1964	12	23	10:00	San Francisco	Arrived at airport
1964	12	24	10:00	San Francisco	Left airport
1964	12	25	10:00	San Francisco	Arrived at airport
1964	12	26	10:00	San Francisco	Left airport
1964	12	27	10:00	San Francisco	Arrived at airport
1964	12	28	10:00	San Francisco	Left airport
1964	12	29	10:00	San Francisco	Arrived at airport
1964	12	30	10:00	San Francisco	Left airport
1964	12	31	10:00	San Francisco	Arrived at airport

SAN FRANCISCO, OAKLAND & SAN JOSE RAILWAY  
(Key Division)

Conductors and Motormen:

1 year and less in service	38¢ per hour
Between 1 and 2 years in service	40¢ "
Between 2 and 3 years and over in service	42¢ "

Collectors:

Same as Oakland Traction Company conductors and motormen.

The brakemen on the Key Route division have been receiving compensation equal to that of the conductors and motormen of the Traction Company.

- - - -

The Union originally, in June, 1917, submitted to the Company a proposal of increased wages as follows:

(a) For Traction Division motormen and conductors and Key Division Brakemen:

For first 6 months of service	40¢ per hour
For second 6 months of service	41¢ "
For second year of service	43¢ "
For third year of service and thereafter	45¢ "

(b) For Key Division motormen and conductors:

For first 6 months of service	50¢ per hour
For second 6 months of service	51¢ "
For second year of service	53¢ "
For third year of service and thereafter	55¢ "

Subsequently, as a compromise, the Union submitted an amended schedule as follows:

(a) For Traction Division motormen and conductors and Key Division brakemen:

At the rate of 35¢ to 41¢ an hour.

(b) For Key or Ferry Division motormen and conductors:

At the rate of 45¢ to 51¢ an hour.



SAM FRANCISCO, CALIFORNIA & SAN JOSE RAILWAY  
(Key Division)

Conductors and Motormen

I year and less in service 55¢ per hour  
Between 1 and 2 years in service 60¢  
Between 2 and 3 years and over in service 65¢

Collectors:

Same as Oakland Traction Company conductors and motormen.

The brakemen on the Key Route division have been receiving compensation equal to that of the conductors and motormen of the Traction Company.

The Union originally, in June, 1917, submitted to the Company a proposal of increased wages as follows:

(a) For Traction Division motormen and conductors and Key Division brakemen:

For first 3 months of service 45¢ per hour  
For second 3 months of service 50¢  
For second year of service 55¢  
For third year of service and thereafter 60¢

(b) For Key Division motormen and conductors:

For first 3 months of service 50¢ per hour  
For second 3 months of service 55¢  
For second year of service 60¢  
For third year of service and thereafter 65¢

Subsequently, as a compromise, the Union submitted an amended schedule as follows:

(a) For Traction Division motormen and conductors and Key Division brakemen:

At the rate of 50¢ to 55¢ an hour

(b) For Key Division motormen and conductors:

At the rate of 55¢ to 60¢ an hour.

The existing wage schedules and the proposed readjustments all contemplate a ten hour working day. This basis has been accepted by the men and is not before this Board for discussion or decision. The only issue is the wage to be paid the men. The conditions of employment have been established under a new agreement between the Company and the Union.

The Union urges that the existing wage schedules are neither fair nor reasonable in that they are unduly low; that an impaired earning power on the part of the Company should not deprive the men of proper wages; and that the increased cost of living makes an augmented schedule of wages imperative.

The Company contends that the existing wage schedules are fair and reasonable and, therefore, should not be increased; that, because of financial embarrassment, the Company could not reasonably be expected to pay additional wages without additional income.

The Board of Arbitration held a series of public hearings and, under the power with which it was vested, conducted extensive investigations into the issues of the controversy. These investigations included an inquiry into the working conditions of the men, living costs, wage schedules paid by other Street Railway Companies, wage scales in other industries, the financial affairs of the Company and the economic and sociological relationships that properly should obtain in industry.

In addition to the testimony presented by the Union and the Company, the Board summoned witnesses on its own account to testify as to living conditions, food costs, dietetics, household budgets, cost factors, insurance reserves, the history and tendency of wage adjustments in the Street Railway industry and the relationship between wages and profits of public utilities.

The issues involved are somewhat unusual. We have not, in this case, the ordinary situation of a Company with extraordinary profits, which may be generously apportioned as between the employees and the stockholders, leaving bounteous provision for both. This Company has ceased to pay dividends to its stockholders, is in default in its interest to its bondholders and claims that, under its present basis of earnings, it is unable to pay a reasonable return upon its investment. The Company contends further that as it is a public utility, under regulation under the laws of the State of California, it may not, of its own accord, increase its earnings and profits by advancing its fares and charges and thus recoup what it may be obliged to pay out in the form of an augmented wage scale. The Company insists also that its fare of five cents on the street railway and its monthly commutation rate of \$3.00 per month, or 5¢ a trip, for the ferry and interurban journey between San Francisco and the cities of Alameda County, have become standardized and fixed in the public mind by long years of existence and do not possess the flexibility that admits of ready adjustment.

The existing wage schedule and the proposed adjustments all contemplated a new wage system. This basis has been accepted by the management and is now before the board for discussion or decision. The only issue is as to when to be paid the new. The condition of employment have been established under a new agreement between the Company and the Union.

The Union argues that the existing wage schedule are neither fair nor reasonable in that they are usually low; that an improved working power on the part of the Company should not deprive the men of their wages; and that the increased cost of living which an improved schedule of wages is imperative.

The Company maintains that the existing wage schedule are fair and reasonable and, therefore, should not be increased; that, however, if management, the Union could not reasonably be expected to pay additional wages without additional losses.

The board of Arbitration held a series of public hearings and, under the power which it was vested, conducted extensive investigations into the factors of the controversy. These investigations included an inquiry into the working conditions of the men, living costs, wage schedules paid by other railway companies, wages paid in other industries, the financial affairs of the Company and the economic and social relationships that properly should obtain in industry.

In addition to the extensive program of the Union and the Company, the board examined witnesses on its own account to testify as to living conditions, cost of living, historical background, cost of living, financial matters, the history and tendency of wages in the industry and the relationship between wages and profits in public utilities.

The issues involved are complex and important. It is not in this case, the arbitrary decision of a Company with extensive property rights which may be generally accepted as between the employees and the public. The board has to make a decision on the basis of the facts. It is in the interest of the public to have a reasonable return upon the investment. The Company contends that it is in a public utility, under regulation under the laws of the State of California. It may not, at its own pleasure, increase its earnings and profits by whatever the rates and charges and then record what it may be obliged to pay out in the form of an increased wage scale. The board finds that the rate of five cents on the street railway and its monthly contribution rate of \$2.00 per month, or \$24 a year, for the ferry and interurban journey between San Francisco and the city of Alameda County, have become standardized and fixed in the public mind for many years of existence and is not subject to flexibility but of course of rigid adjustment.



While admitting that the financial condition of the Company must be taken into account to some extent, the Union insists that each of its members is entitled to a sufficient wage to permit him and his family to live and to enjoy a proper standard of life, in accordance with American ideals of free and independent manhood and womanhood, irrespective of the degree of profit enjoyed by the stockholders of the Company. The Union urges further that the Company seeks men of family for its service and contends, therefore, that the wage should be sufficient to provide for an average family in reasonable comfort, with a balance to be set aside for provision for sickness and old age.

The position of the Company has been set forth with complete detail in two statements, which are appended hereto as "Supplement No. 3." In these statements the Company sets up the theory of a social minimum and an economic maximum of wages; the social minimum representing a sufficient amount to enable the wage earner to live at the "accustomed standard of the particular grade of labor under consideration" and the economic maximum including the value of the service rendered, with reference to the profits of the Company.

It will be sufficient, for the purposes of this report, to summarize briefly the evidence upon which the Board bases its findings.

The men have uniformly testified to their belief in the inadequacy of the wage and of its failure to permit them the freedom and standard of life to which they believe themselves entitled. The experts on food and clothing have borne witness to their rising costs. Expert statisticians have demonstrated an increase in food costs during the past ten years, to June, 1917, of approximately 66-2/3 per cent, and an increase of 20 to 30 per cent in a variety of articles of clothing. Rent, light, water and similar items have remained unchanged.

Professor M. W. Jaffa of the University of California has submitted detailed data to show that the cost per month of the minimum diet, in Oakland or Berkeley, for a workman, his wife and three children, had increased from \$27.09 in 1907 to \$45.32 in 1917. His findings on family budgets and food costs are embraced in two exhibits which are attached to this report as "Supplements Nos. 4 and 5."

The Board has found these analyses of Professor Jaffa an invaluable guide in its computations of living costs. The same is true of the data on household budgets presented by Miss Jessica Peixotto, Professor of Social Economics at the University of California. Miss Peixotto reaches the conclusion that an annual sum of \$1,403.40 is required for the maintenance of a workman, his wife and three children, with reasonable comfort and with limited provision for invalidity and old age. She reaches a further conclusion that a minimum allowance to enable such a family to maintain its independence should be \$1,253.40 a year. We append hereto the reports of Miss Peixotto, as "Supplements Nos. 6 and 7."

Professor Macaulay of the State University presented charts and statistics to illustrate the rising cost of commodities. He amplified

[illegible][illegible][illegible]

The men have uniformly declined to testify in the investigation of the case and of the failure to arrest them the Bureau has attributed to the fact that they believe themselves entitled. The experts on food and clothing have been witness to their plain dress. Agents assigned to them have been instructed to observe them during the year for signs of abnormality in behavior or in any way, and an increase in the number of cases in a variety of clothing. Some light

[illegible]

The first four years of the life of the subject were spent in the home of his parents, who were both of them of the same name. He was born on the 1st of January, 1900, at the residence of his parents, who were both of them of the same name. He was born on the 1st of January, 1900, at the residence of his parents, who were both of them of the same name.

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his testimony with the statement that the sharpest advance had been reflected in commodities in most general use and that such advances had been so successive and so general as to dispute the theory of saving by substitution.

The Board received very complete testimony as to the financial condition of the Company. We append as Supplements Nos. 8, 9, 10 and 11 reports prepared by Mr. B. W. Fernald, Auditor of the San Francisco-Oakland Terminal Railway, containing full information and statistical analyses of the fiscal operations of the Company.

Delos F. Wilcox, well known public utility expert of New York City, was called by the Board to submit the fruit of his investigations throughout the United States, on wage controversies in similar enterprises, and the relationship and interdependence of wages, profits and service in public utility corporations.

Mr. Wilcox held that the right of the people to a continuity of service placed a peculiar responsibility upon both employees and stockholders. He amplified his presentation with detailed and extremely valuable comment and statistical information.

With the evidence before it, the Board is under the necessity of adopting some logical method of proceeding to its conclusion. It is wholly insufficient to misapply the high purpose of Arbitration to the expedient of striking a balance between the wage demanded and the wage offered. It is for this Board to determine on a basis which shall enable it to adjudicate the issue upon the abundance of facts before it. First and foremost, the Board must adopt a set of principles upon which to proceed.

We are offered six alternatives:

- (1) To adopt the theory of the social minimum.
- (2) To adjust the existing wage by adding thereto the measure of the increase in living costs.
- (3) To determine the wage scale by a comparison with Street Railway compensation in other cities throughout the United States.
- (4) To determine the wage scale by the schedules paid in other industries in Oakland, Alameda and Berkeley.
- (5) To adjust the wages of the men in respect to the earnings and profits of the Company, - the theory of the economic maximum.
- (6) To compute a series of wage schedules which should be reasonable per se.

Before reviewing the degree and balance of emphasis to be placed on these various alternatives, it is fitting to view this issue in its greater rather than its narrower perspective.

the following with the statement that the district involved had been re-  
ferred in connection with the general use of that word elsewhere.

The Board received very complete testimony as to the financial condition of the company. It appears an extraordinary fact that the company was in a position to pay its obligations and to pay its dividends. The Board also received very complete testimony as to the financial condition of the company. It appears an extraordinary fact that the company was in a position to pay its obligations and to pay its dividends.

The relief treaty was interpreted as a means, rather than an end in itself, to achieve the goal of a free world. The relief treaty was interpreted as a means, rather than an end in itself, to achieve the goal of a free world. The relief treaty was interpreted as a means, rather than an end in itself, to achieve the goal of a free world.

Mr. WINTER said that the rights of the people of a community of service played a major role in the development of the community. He said that the community was not a static entity, but a dynamic one, and that the rights of the people of a community played a major role in the development of the community. He said that the community was not a static entity, but a dynamic one, and that the rights of the people of a community played a major role in the development of the community.

and Toronto, the head and body of a rattlesnake with which it is supposed to have been the ancestor of the latter. It is offered, it is not good to subsist on a meal which will make excrement of eating a balance between the ways mentioned and the way wholly insufficient to liberate the high power of resistance to the adopting some logical method of reasoning for its maintenance. It is With the evidence before it, the Court is under the necessity of

involved in the health care of

... ..

1941-42 without the existing survey by adding thereto the results of the interview in living units.

(b) The Government has been unable to locate the original document.

144 The following are some of the subjects with respect to which the Commission has been asked to report:

17. The object of the paper is to report on the results of the study of the development of the concept of the "good" in the history of the human mind.

(4) To provide a notice of such schedule which would be required.

These people are individuals, as the saying is, who come in the  
world rather than the narrow community.

No great problem of the day can be isolated. It is intertwined with current history. And current history is merely the reaction of the past and the precursor of the future.

The industrial issues which now press to the fore are rooted in history. They are part of the great movement of men toward the ideal of equality and fraternity. They are economic to the statesman; they are spiritual to the churchman.

We, here in America today, in our enjoyment of the bounteous blessings of life, are prone to forget the age-long struggles that have given us our freedom and our plenty.

Man has struggled upward through the years. The story of civilization is a recital of the human battle for equality; spiritual and political. It required centuries for man to gain his religious and his political freedom and even these are still denied him in many of the countries of this enlightened world.

Today, mankind is amid the struggle for industrial equality and industrial freedom and, even now, the earth rocks with his efforts.

The wave of population has swept steadily westward, over Asia, Europe and across to the furthestmost shores of America. With the exhaustion of the free land, this human tide has swirled and eddied where the crosscurrents meet in sharpest conflict. There is no new Columbus to sail uncharted seas to find a new America.

In these basic elements of life lie the secret of our industrial unrest. It is a struggle for equality and freedom.

Today this condition has been sharply accentuated by the world war. This conflict has thrown the economic machinery of the world out of gear and has necessitated the quick substitution of emergency devices.

The drain of the old world upon the natural resources of the new has brought the spectacular rise in prices with which we are all so familiar. Living costs have ascended. The purchasing power of the dollar has declined in proportion.

It takes no unusual imagination to observe that rising prices and a decreasing purchasing power of the dollar mean decreased wage to the wage-earner. Under these conditions, labor's immediate effort has been to maintain its equilibrium; that is, to retain its relative standard and to advance its earning power in a degree commensurate with the rising tide of living costs. If reliance may be placed upon the statistics of the United States Bureau of Labor and the data placed before this Board for its consideration, labor had not, up to the date of this controversy, in this effort succeeded.

The men whose wages are here under discussion have been working under a scale fixed in 1907, which makes provision for an annual increase



The great problem of the day was to be isolated. It is interesting with current history. And current history is really the question of the past and the present of the future.

[illegible]

On 10/10/50, the following information was received from the Bureau of the Census, Washington, D.C.:

[illegible]

Today, working in the streets of London, I am  
 surrounded by the same old, same old, same old.

The year of acquisition has been identified as 1964, and the location is the northern shore of Mexico. With the acquisition of the land, this human life has been identified and the area has been identified as a human life. There is no new information to be added to the record.

It is a struggle for survival and freedom.

Today this exhibition has been ably augmented by the work of our  
and a booklet has shown the economic mobility of the world out of reach  
and has revealed the great importance of modern devices.

The death of the old world when the materialism of the past  
as brought the materialism that in which we live all as  
material. Living world have changed. The spiritual power of the  
man has been in the world.

It takes no unusual imagination to conceive that rising prices and decreasing purchasing power of the dollar mean increased sales to the foreigner. Under these conditions, Labor's immediate policy has been to maintain the equilibrium that is, to require the relative standard of living to be the same in the United States as in the rest of the world. It is this effort to maintain the relative standard of living that is the basis of the policy of the United States. It is this effort to maintain the relative standard of living that is the basis of the policy of the United States.

has a social class in 1907, which makes provision for the social classes

up to and including 1917. The wage in 1907 averaged slightly less than 32¢ per hour, for a ten hour day. In 1917 this has reached approximately to 35½¢ per hour, for a ten hour day. At this wage the men, with one day of rest each week and with deductions for lost time, were receiving an average of \$36.24 per month. The evidence before us, it may here be recalled, indicates that the cost of the minimum diet of the so-called average family had risen from \$27.09 in 1907 to \$45.32 in 1917; and that this same family required \$1,255.00 annually for simple maintenance. If certain extras, in the way of precautions, were included, this figure became \$1,402.00.

Although the industrial issue is as old as history, one may search in vain through the realms of jurisprudence for light and guidance. Small beginnings have been made in some of the countries of Europe, in Canada, in England, in Germany, in Australia and in New Zealand. A form of intervention and conciliation has been introduced in America, but it is only a palliative.

In the absence of the law, therefore, the wage adjustment must follow the lines of equity. In the United States of America a definite basis of equity has been erected for the solution of such problems as corporation control and public utility rates. The principles underlying these problems may, with certain modifications, be translated into the sphere of industrial controversies.

In the determination, for instance, of a just and reasonable public utility rate; that is, the rate that the public utility enterprise may be permitted to charge to its patrons, certain essential elements must be taken into consideration:- The corporation must be allowed by the regulating authority a proper sum for its operating expenses. It must be permitted to earn, in addition, a sufficient amount to offset the depreciation in its properties. It must be recompensed for its taxes and, finally, it must be permitted the enjoyment of a reasonable return upon its investment for the public service.

These same essentials may well be taken into account in the adjudication of a wage problem. The wage-earner must have his operating expenses; that is, the ordinary and reasonable living expenses of himself and his family. He must be granted a sum which shall correspond to the depreciation reserve of the corporation. This is his insurance and the provision for his old age. Finally, the worker must be permitted what may be termed the return to himself, which should be an adequate sum over and above the mere necessary living expenses and the amount to be set aside for emergency and his later years.

Upon this basis we find the present wage scale inadequate. We believe the wages should be adjusted to permit of the enjoyment of something more than a mere social minimum - the wage should provide not alone for the workman, his wife and family, but should be sufficient to enable him, by the practice of a reasonable thrift and economy, to take out a protective insurance and to set aside a reasonable sum to be accumulated for his later years.





In this conception, we are at variance with the proposition as here advanced of the social minimum. We conceive the social minimum as necessarily predicated upon the competitive theory of individual labor. In its last analysis, this, in turn, is founded upon the theory that labor, in unfettered competition, will serve for the smallest sum upon which it can exist. Inevitably the cheapest labor would, under this rule, set the standard. and the cheapest labor would automatically mean the cheapest living.

He denies this as anti-social and impracticable in modern industry. Labor has emerged from this plane by the system of group bargaining. The very existence of the Union in the industry here under discussion defeats the theory of the social minimum. Labor in union is the antithesis of labor in unfettered competition. Where labor has banded itself together in the Union, in group form, it is not available to industry on the basis of the social minimum. That is one of the primary inspirations and achievements of Labor Unionism. We must, therefore, deal with this problem as one of labor in Unionism available to industry on a basis of equity.

Furthermore, the very fact that this subject has been submitted to a Board of Arbitration denies the theory of a competitive minimum and establishes the proposition of social and industrial equity.

In relating this theory to a practical basis, we may first assume the average family to consist of three children. We may further assume, as the Company seeks its new employees among men from 25 to 35 years of age, that the beginner contributes less in service and carries a lesser financial responsibility in living expenses than his experienced and older co-worker.

We have also taken into account the pension system of the Company and the death benefits extended by the Union itself. We have also assumed that a certain proportion of the average family may become self-supporting at later age, through industry or matrimony. The burden upon the householder thus gradually increases to a maximum and then declines as the years of his service with the Company are increased.

We believe it proper also to give full consideration to the character and value of the service rendered by the men in the employ of this Company. The conductors and motormen must be selected for character, sobriety and fidelity. They perform a public service essential to the welfare of the community. They are guardians of the people's safety in much the same sense and in much the same degree as the policemen and the firemen of the City. Their hours of service and their responsibilities necessitate a proper standard of living, with adequate time for rest and recreation and the cultivation of a happy home life.

The men in the Key service are graduates of the Traction Division. They are the more experienced men and hold positions of even greater importance. They operate the high speed trains of three and four coaches and must possess a full understanding of signalling and general railway control. They are entitled to the extra compensation that should go with their experience, long years of service and greater degree of responsibility.

In this connection, we are in complete with the government in  
here advanced to the social minimum. The immediate social minimum  
is necessarily provided upon the competitive theory of distribution  
labor. It is not enough, that, in fact, it is not enough, that  
theory that labor is not enough, that, in fact, it is not enough, that  
socialism can only exist. Inevitably the social minimum  
would, under this view, be the standard, and the minimum labor would  
automatically be the standard living.

We should like to see a social minimum and improvements in social living.  
Labor has entered from this time by the theory of social minimum.  
The very existence of the labor in the industry was under discussion  
against the theory of the social minimum. Labor in mind is the  
existence of labor in unregulated competition. There labor has been  
itself together in the Union. It is not enough, that, in fact, it is not enough, that  
industry on the basis of the social minimum. That is not the way  
industry and improvements in social living. It is not enough, that, in fact, it is not enough, that  
deal with this problem as one of labor in industry available to industry  
on a basis of equity.

Furthermore, the very fact that labor has been excluded from  
a board of arbitration under the theory of a competitive minimum and  
established the responsibility of social and industrial equity.

In relation to this theory in a social minimum, we say that it is  
the average family on a basis of social minimum. It is not enough, that, in fact, it is not enough, that  
on the family basis the average family would have to be 55 years of  
age, that the average family would have to be 55 years of  
Climatic responsibility in labor industry that the government has  
after co-workers.

We have also seen how this account the social system of the country  
and the social system established by the Union family. It is not enough, that, in fact, it is not enough, that  
that a certain proportion of the average family may be in competition  
of labor and industry of industry. The Union has the power  
rather than the family is in a position to be in a position to be  
years of his service with the country and industry.

We believe it proper also to give full consideration to the industry  
and value of the service rendered by the man in the social minimum.  
Industry, the industry and industry must be in a position to be in a position to be  
social and industry. The industry must be in a position to be in a position to be  
welfare of the community. They are in a position to be in a position to be  
such the same and in such the same degree as the industry and the  
times at the City. Their hours of service and their responsibility  
responsible a proper standard of living, with adequate time for rest and  
recreation and the existence of a happy home life.

The man in the day service are provided of the Union minimum.  
They are the only experienced men and hold positions of even greater  
importance. They are the high speed train of Union and the industry  
and must possess a full understanding of the industry and the industry  
control. They are entitled to the same consideration that should be given  
their experience, long years of service and greater degree of responsibility.



It is essential to recognize that the harmonious wage basis which existed for ten years has only now been disturbed by the sudden rise in living costs. We have, therefore, given full attention to the adjustment of the existing wage scale to a new basis, by adding thereto a proper proportion to cover the increase in living costs.

We have also made careful compilation and study of the compensation paid by the municipalities of Oakland, Alameda and Berkeley to their employees in the public service. We have analyzed the wages paid by industry generally in this same environment.

We have examined into the wages paid by street railway companies in other cities, but we do not find in these a basis of completely adequate comparison. The standard that must obtain in Oakland or Berkeley should be primarily the standard of that community and not necessarily that of New York, New Orleans or Seattle.

We believe it is proper to give heed, to a reasonable degree, to the revenues of the Company, but this element enters essentially as a matter of profit-sharing. It would represent a further sum to be added to the wage scale which has been found by an independent process to be a reasonable minimum.

We do not concur in the suggestion that wages and profits should be given equal consideration. Wages, of course, have the prior claim. In this regard, we may quote the words of Abraham Lincoln:

"Labour is prior to and independent of capital. Capital is only the fruit of labour, and could never have existed if labour had not first existed. Labour is the superior of capital, and deserves much the higher consideration. Capital has its rights, which are as worthy of protection as any other rights. Nor is it denied that there is, and probably always will be, a relation between labour and capital, producing mutual benefits."

There should be no misunderstanding on this point. In a public utility enterprise it is not the earnings which determine the wages. It is the wages which help to determine the earnings.

It is the province of this Board not only to adopt a general standard of wages, but to establish thereunder an exact schedule, with compensation increasing with the years of active and efficient service.

It seems proper, in a matter of this kind, therefore, to assume that the men, during their first six months or year of employment, are to a certain extent on probation and their wage may be adjusted accordingly.

It is essential to recognize that the harmonization was done which existed for some years has only now been divided by the various living costs. To have, therefore, given full attention to the subject of the existing wage scale to a new basis. By adding thereto a proper provision to cover the increase in living costs.

We have also made careful consideration and study of the suggestion made by the municipalities of Oakland, Alameda and Berkeley as to their employees in the public service. We have also tried the same plan by industry generally in this wage settlement.

We have examined into the wages paid by street railway companies in other cities, but we do not find in those a basis of consistency of wage adjustment. The standard of wages paid in Oakland or Berkeley should be primarily the standard of cost of living and not necessarily that of New York, New Orleans or Seattle.

We believe it is proper to give heed to a reasonable degree, to the revenues of the company, but this element must necessarily be a matter of study and adjustment. It would represent a further step to be made to the wage scale which had been found by an independent process to be a reasonable minimum.

We do not dissent in the suggestion that wages and profits should be given equal consideration. Wages, of course, have the first claim. In this regard, we may quote the words of George Lincoln:

"Labor is prior to and independent of capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor is the superior of capital, and deserves much the higher consideration. Capital has its rights, which are as sacred as labor has its rights. There is no contradiction as any other rights. But it is certain that there is, and there always will be, a relation between labor and capital, growing out of the fact that capital is the fruit of labor."

There should be no discrimination on this point. In a similar spirit of reciprocity it is not the earnings which determine the wages. It is the wages which help to determine the earnings.

It is the province of this Board not only to adjust a general standard of wages, but to establish thereunder an exact schedule, and to maintain harmony with the public and efficient service.

It seems proper, in a matter of this kind, therefore, to assume that the main burden shall rest upon the employer, and that the public, to a certain extent, be protected and their wages may be adjusted accordingly.



We believe that the men who become regular and established employees of the Company should enjoy a return for their labor at least commensurate with that standard of living which has been here outlined as fitting for American citizens. On the basis of the ten hour day heretofore agreed upon, between the employees and the Company, we believe that such a standard requires, as a minimum, the sum of approximately 40¢ to 42¢ per hour.

We are the more persuaded to this conclusion as we come to it inevitably by every logical pathway and process of reasoning. If we use the harmonious wage scale of 1907-1917 as a basis and add thereto a proper amount for the increased cost of living, we attain to the same result. It is the goal also to which we are led by a comparison with the wage schedules paid by the municipality of Oakland and by industries generally in Alameda County. We append hereto as "Supplements Nos. 12 and 13" an analysis of the wage schedules paid respectively by the municipality of Oakland and by the industries generally in the cities of Oakland and Berkeley.

In reaching our conclusions as to the exact form the wage adjustment should take, we may summarize the effect of the schedules under which the men have heretofore been working. These schedules have yielded the following returns per hour, on the basis of a ten hour day, for each of the following years:

January 1907	28.72	cts.	per	hour	(old schedule)
Balance of year 1907	31.93	"	"	"	(new schedule)
1908	31.31	"	"	"	"
1909	32.18	"	"	"	"
1910	38.11	"	"	"	"
1911	33.24	"	"	"	"
1912	33.56	"	"	"	"
1913	33.73	"	"	"	"
1914	34.08	"	"	"	"
1915	34.60	"	"	"	"
1916	34.80	"	"	"	"
1917 - 1st 7 months	35.48	"	"	"	"

We are prompted by thorough consideration to place the new basis for the men experienced in the Traction service at 40¢ to 42¢ per hour. This compares favorably with the rate paid by the City of Oakland to its patrolmen and firemen. It is well above the average paid in the Street Railways generally, throughout the United States, but still is below the standard of the postmen in the employ of the United States. It will bring to the men the amount required to restore them to the standard of living to which their service, their industry and their rights as American citizens entitle them.

We believe that the man who makes requests and establishes employees of the Company should enjoy a return for their labor at least commensurate with that standard of living which has been determined as fitting for American citizens. On the basis of the ten hour day therefore agreed upon, between the employees and the Company, we believe that such a standard translates, as a minimum, the sum of approximately \$40 per hour.

We are the more persuaded to this conclusion as we come to it inevitably by every logical method and process of reasoning. If we use the rationing wage scale of 1907-1917 as a basis and add thereto a proper amount for the increased cost of living, we arrive at the same result. It is the final aim to which we are led by a comparison with the wage schedules paid by the municipalities of Oakland and by industries generally in Alameda County. As appears herein on "Schedule No. 12 and 13" an analysis of the wage schedules paid ranges directly by the municipal policy of Oakland and by the industries generally in the cities of Oakland and Berkeley.

In reaching our conclusion as to the exact sum the wage adjust-ment should take, we may summarize the effect of the schedules under which the men have heretofore been working. These schedules have yielded the following returns per hour, on the basis of a ten hour day, for each of the following years:

January 1907					
Balance of year 1907	\$1.98	"	"	"	(new schedule)
1908	\$1.91	"	"	"	"
1909	\$2.18	"	"	"	"
1910	\$2.11	"	"	"	"
1911	\$2.14	"	"	"	"
1912	\$2.03	"	"	"	"
1913	\$2.73	"	"	"	"
1914	\$2.68	"	"	"	"
1915	\$4.60	"	"	"	"
1916	\$4.60	"	"	"	"
1917 - Jan 7 months	\$2.48	"	"	"	"

We are prompted by thorough consideration to place the new scale for the men employed in the traction service at \$40 to \$44 per hour. This compares favorably with the rate paid by the City of Oakland to the policeman and fireman. It is well above the average paid in the Street Railways generally, throughout the United States. We still in below the standard of the position in the employ of the United States. It will bring to the men the amount required to restore them to the standard of living in which their service, their industry and their rights as American citizens entitle them.



We are conscious of the fact that the schedule which we here propose will add approximately \$140,000.00 annually to the expenses of this Company, but we declare, without hesitation, that the rights of the employees should take precedence over the privileges of the stockholders.

We assert this as a principle which must form the cornerstone of such a proceeding as this. At the same time, we are not insensible to the rights of the Company. We view a problem such as this - the problem of a sudden rise in living costs and the necessity which springs therefrom of increasing the wages of men engaged in a public utility service, not as an isolated business consideration for the Company alone to solve, but as a community issue. In recommending an increase of wages, it is not our purpose to throw this burden wholly upon the Company, but to urge that this entire matter be given full weight and consideration by the Railroad Commission of the State of California, which is the body constituted to determine how far this added cost should fall upon this Company and to what extent it may properly be distributed among its patrons.

In the economic disorder of this particular period, the public utility occupies a peculiar position. The innate philosophy of public utility regulation calls for the protection of the patron against oppression by monopolistic industry. The purpose is to restrain monopoly from taking the total toll which unlimited power would permit. This regulation has been confined to public service enterprises. The run of industries generally has been permitted a freedom of action upon the theory that their competitive activities would serve as a mutual and sufficient restraint. Thus it was conceived that the competition among these enterprises would automatically supply the regulation which in the case of a monopolistic public service institution was imposed through regulating commissions.

With the outbreak of the European conflict certain unregulated American industries were confronted with unexampled demands for product and output. By reason of this demand for a supply greater than their capacity to fulfill, they automatically passed into the realm of economic monopolies of essential materials. Freed from the restrictions of price regulation, their product was bid up to unparalleled heights by the competition and necessity of the European belligerents. In their efforts to meet these demands, they naturally, in turn, bid up the price of labor to attract the man-power from other industries. They paid emergency prices to stimulate their supply of raw materials. From this beginning followed the extreme rise in the whole realm of industry, extending conspicuously into the field of living necessities. The industries whose earnings were unaffected by the war demands faced a sudden and unprecedented rise in the cost of materials and the prices of labor. The former economic conception of industry had been overturned. The public utility, with rates and charges fixed upon the equities, had now to resort to the public service commissions in an appeal for protection against its rising costs.



The are concerned with the fact that the knowledge which we have  
persons will not appreciate \$100,000,000 annually in the purchase  
of this country, but we have a serious problem, that the people  
of the employees should be concerned with the problem of the  
employment.

We must take on a principle which must have the consequences  
of such a proceeding as this. It is the same line, as we are not  
to the type of the country. It is a serious one as this is the  
problem of a nation that is living under the necessity of which  
interaction of increasing the scope of our economy in a better  
service, but we are making business arrangements for the country  
alone to solve, but as a commercial issue. In proceeding on  
of which, it is not our purpose to have this matter solely upon the  
country, but to have this matter as a whole will be a  
contribution of the National Commission of the State of California.  
With in the body concerned in determining how far this matter  
should fall upon the country, and in what extent it was previously  
distributed among the parties.

In the economic character of this particular period, the people  
often occupies a particular position. The income elasticity of public  
activity is the basis for the production of the nation and  
production of monopolistic industry. The purpose is to have  
monopoly from the fact that which which would permit  
the regulation has been confined to public service enterprises. The  
run of industries generally has been permitted a freedom of action upon  
the theory that their competitive activities would have as a result  
and sufficient restraint. There is no connection with the competition  
among these enterprises would monopolistically supply the regulation  
which in the case of a monopolistic public service institution was  
imposed through regulation.

With the extension of the European conflict which was unrelenting  
American industries were handicapped with unrelenting demands for greater  
and output. By reason of this demand for a supply greater than their  
capacity to fulfill, they automatically passed into the realm of un-  
world monopolies of essential materials. Freed from the restrictions  
of price regulation, their products are bid up to unrelenting heights  
by the competition and consequently at the European difficulties. In  
their efforts to meet these demands, they naturally, in turn, bid up  
the price of labor to attract the new power from other industries.  
They also naturally passed to monopolies of the supply of the materials.  
This situation followed the extreme rise in the price of  
industry, extensive monopolies into the field of living necessities.  
The industries whose activities were unrelenting by the war demands found  
a sudden and unexpected rise in the cost of materials and the price  
of labor. The former economic competition of industry had been over-  
taken. The public utility, with rates and charges fixed upon the  
applied, had now to resort to the public service monopolies in an  
appeal for protection against the living costs.

The San Francisco-Oakland Terminal Railways, here under review, has, in the face of these difficulties, maintained a continuity of its service. It has suffered a loss of revenue which these rising costs have entailed. It has honorably joined with its employees to meet the question of wages. Company and Union have united in an effort and desire to do and to receive equity. They have been willing to forego such power as each might possess to seek its own advantage and have placed the issues so vital to both in the hands of a disinterested tribunal.

This Company, we believe, in doing equity, is entitled to equity. It has continued to transport the populations of San Francisco, Oakland, Alameda, Berkeley and Piedmont with the same excellency of service that has heretofore obtained.

We submit these facts for the consideration of the tribunal which shall pass finally upon its prayer for financial relief.

We may summarize what has here been said into the following general principles:

- (1) Wages are measurable only by their relation to the costs of life.
- (2) Wages adjusted by arbitration must be reasonable and equitable per se.
- (3) Capital cannot successfully urge its right to pay less than a reasonable standard, because of financial impairment. This would mean that each purchaser could adjust prices to his financial means.
- (4) If the sum available to capital and labor be limited, capital may wait for its return and still live. Labor cannot.
- (5) It is manifestly inconsistent in industry to increase prices because wages are high and then, maintaining the prices, to withhold the wages.
- (6) During a period of suddenly advancing costs, the public utility enterprise lacks the freedom of self-adjustment to the new condition that attaches to industry generally.
- (7) In the public utility service, when rising costs and increased wages transgress on capital, either relief must be found in augmented earnings or the burden will continue to rest on capital.
- (8) In the public utility service, the inter-dependence of the wages of the employee, the capital of the stockholder and the service to the patron demands a form of adjustment which shall assure equity to the wage earner and the stockholder and continuity of service to the patron.

The San Francisco-Camden Southern Railroad, there must have been, in the face of these difficulties, equipped a considerable number of its engines. It has suffered a loss of revenue since these trains have been delayed. It has consequently turned to the employees to make the question of wages. Company and Union have agreed in an effort to desire to do and to receive equity. They have been willing to discuss with power as each might choose to seek its own advantage and have placed the issue as vital to both in the hands of a distinguished (witness).

This Company, we believe, is doing well, is excited in a big way. It has continued to strengthen the position of our franchisees. Indeed, Alaska, Idaho and Nevada with the same steadiness of service that the Company has shown.

It must be noted that the Commission is not a political body. It is a technical body. It is a body which is responsible for the technical aspects of the work of the Commission. It is a body which is responsible for the technical aspects of the work of the Commission. It is a body which is responsible for the technical aspects of the work of the Commission.

General Hinton:  
We may determine what has been said into the telephone

III. Issues are resolvable only by their relation to the course of life.

11) Names suggested by Administration shall be transmittable and available

(2) Capital cannot successfully raise the issue of pay level when a responsible incumbent, because of financial investment, has well-meaning and responsible staff officers in his financial means.

(A) It is not available in capital and labor is limited. Capital  
may well be the determinant of growth.

(E) It is readily apparent in looking at the above photos that the water is dark and green, containing the green, in the water.

(b) During a period of steadily advancing costs, the public utility enterprises have the freedom of self-adjustment. The new legislation that attaches to industry generally.

67) In the public utility services, when electric costs are increased, many customers are notified. Other utilities must be given the opportunity to be heard on the subject of rate changes.

(b) In the public utility service, the labor contracts of the wages of the employees, the benefit of the employees and the service to the public are a part of adjustment which shall require study in the wage survey and the adjustment and comparison of service to the public.



This brings us to the determination of the new schedule of wages in this enterprise. We have suggested a basic wage average from 40¢ to 42¢ per hour for the experienced men in the Traction division. For the men in the Key division, we recommend a scale graded from 43¢ to 45¢ per hour. Every man in this division will, however, by reason of his length of service, receive the maximum of 45¢ per hour. Complete data, representing the status as to age and length of service of the men affected in these proceedings is appended hereto as "Supplement No. 14."

We, accordingly, find the following schedule of wages to be reasonable, as a minimum:

#### TRACTION DIVISION

#### Motormen and Conductors

First 6 months of service	30¢ per hour
Second 6 months of service	32¢ "
First 6 months of second year of service	34¢ "
Second 6 months of second year of service	36¢ "
Third year of service	38¢ "
Fourth year of service	40¢ "
Fifth year of service and thereafter	42¢ "

#### KEY DIVISION

#### Motormen and Conductors

First year of service	43¢ per hour
Second year of service	44¢ "
Third year of service and thereafter	45¢ "

BRAKEMEN of the Key division will take the same wage rating as motormen and conductors of the Traction division.

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For purposes of comparison, the existing wage scale and the new schedule as here found are set forth:

#### TRACTION DIVISION - Conductors and Motormen:

1st 6 ms	2nd 6 ms	1st 6 ms	2nd 6 ms	3rd	4th	5th	6th	7th	8th	9th	10th	there-
1st year	1st year	2nd year	2nd year	yr	yr	yr	yr	yr	yr	yr	yr	after
* 30	30	31	31	32	33	34	35	36	37	38	39	40
** 30	32	34	36	38	40	42	42	42	42	42	42	42

(\*Existing schedule \*\*New schedule)

#### KEY DIVISION - Conductors and Motormen:

* 38	38	40	40	42	42	42	42	42	42	42	42	42
** 43	43	44	44	45	45	45	45	45	45	45	45	45

(\*Existing schedule \*\*New schedule)



In our opinion, even though an amicable adjustment of a wage controversy has been made possible by these proceedings, they would nevertheless be a failure if we neglected to indicate their broader usefulness. We are convinced, from the investigations and experiences which have been associated with this issue, that there is a definite, effective way toward industrial adjustment. We base this belief not only on the result of our study and inquiry, but upon the high-minded, dignified and fair attitude assumed throughout by the representatives of both the Union and the Company.

In the concluding argument in this particular controversy, Mr. W. B. Fitzgerald, Vice-President of the Amalgamated Association of Street and Electric Railway Employees of America had this to say:

"This association has dedicated itself to arbitration. While its president has been criticized for advocating and sustaining a principle of arbitration, still it is here with us and I, as the next officer to that man, hope and trust that it will continue because I believe it is the proper, it is the moral and it is the American way of adjusting disputes where lives and property might be endangered and suffering is liable to take place."

Here we have an official expression of the willingness of the wage-worker to arbitrate; of his dedication to the principle of arbitration.

We may turn to equally strong expressions on the subject on the part of the employing interests. Our deficiency is the lack of the proper machinery to make arbitration natural and admissible. The mechanism of the law does not provide for it. Here is a great field of human controversy untouched by jurisprudence. In nearly every great industrial controversy there is the willingness on either side to submit to impartial adjudication all the issues involved. But to what tribunal are they to turn? None exists. It is the imperative function of government to bring these issues within the realm of our jurisprudence.

Our Supreme Court extends the invitation to our legislators. Here is the language of Chief Justice White, in his recent decision upholding the Adamson law, prescribing wage and hour conditions for the trainmen:

"But, taking all these propositions as undoubted, if the situation which we have described and with which the act of Congress dealt be taken into view, - that is, the dispute between the employers and employees as to a standard of wages, their failure to agree, the resulting absence of such standard, the entire interruption of interstate commerce which was threatened, and the infinite injury to the public interest





"which was imminent, - it would seem inevitably to result that the power to regulate necessarily obtained and was subject to be applied to the extent necessary to provide a remedy for the situation, which included the power to deal with the dispute, to provide by appropriate action for a standard of wages to fill the want of one caused by the failure to exert the private right on the subject, and to give effect by appropriate legislation to the regulations thus adopted."

These industrial issues may be met and brought within the realm of the spirit of American jurisprudence.

We have reached the time when the controversies over conditions and wages of employment are no longer confined within the domain of private contract. They involve the rights of the public. This is essentially true when they affect public service enterprises.

We believe the time has come, in America, for the erection of a system of industrial courts. The beginning may be along tentative and broad lines. We do not here suggest compulsion. We believe that when such courts have once been created, the resort to their good offices will be natural and increasingly certain. Experience will furnish the light for their development.

Dated: July 3rd, 1918.

(Signed) PAUL A. SINSHEIMER  
Chairman

(Signed) G. C. KAUFMAN

which was inherent - it would seem inevitably to result  
that the power to regulate necessarily obtained and was  
subject to be applied to the extent necessary to provide  
a remedy for the situation, which included the power to  
deal with the dispute, to provide by appropriate action  
for a remedy at wages to "fill the gap" of one caused  
by the failure to grant the private right on the subject,  
and to give effect by appropriate legislation to the reg-  
ulations thus adopted."

These industrial leaders may be met and brought within the  
realm of the spirit of freedom, independence.

We have reached the time when the consequences over conditions  
and wages of employment are no longer confined within the domain of  
private contracts. They involve the rights of the public. This is  
essentially true when they affect public enterprises.

We believe the time has come, in fact, for the creation of  
a system of industrial control. The business may be a private  
and broad issue. We do not have a perfect conception. We believe that  
when such control has been created, the result to help good  
offices will be natural and increasingly certain. Experience will  
furnish the limit for their development.

(Signed) PAUL A. HINSHAM  
Chairman

Dated: July 24, 1918.

(Signed) G. C. FARMER



TITLES OF SUPPLEMENTS TO REPORT OF BOARD OF ARBITRATION:

- Supplement No. 1 - Wage Agreement 1908-1917.
- Supplement No. 2 - Agreement of Arbitration.
- Supplement No. 3 - Statement of Principles advanced by San Francisco-Oakland Terminal Railways.
- Supplement No. 4 - Discussion of Living Expenses by Professor M. E. Jaffa of the University of California.
- Supplement No. 5 - Discussion of Food Costs by Professor M. E. Jaffa of the University of California.
- Supplement No. 6 - Estimate of Minimum Living Costs for an Average Family of Five (With Provision for Saving for Invalidity) as compiled by Miss Jessica Peixotto of the University of California.
- Supplement No. 7 - Living Expenses for Family of Five Persons - Minimum Costs of Living If Family is to Maintain its Independence, as compiled by Miss Jessica Peixotto of the University of California.
- Supplement No. 8 - Earning Statement of the San Francisco-Oakland Terminal Railways as compiled by B. W. Fernald, Auditor.
- Supplement No. 9 - Statement of Revenues, Expenses, etc., of the San Francisco-Oakland Terminal Railways (Taking into account Uncharged Depreciation and Depreciation on Overhead Accounts, and Eliminating all interest charged and charges to operating expenses account of abandonment of Old Pier.) as compiled by B. W. Fernald, Auditor.
- Supplement No. 10 - Summary of Operating Statistics Traction Division San Francisco-Oakland Terminal Railways 1913-1917 as compiled by B. W. Fernald, Auditor.
- Supplement No. 11 - Traffic Statistics Key Division San Francisco-Oakland Terminal Railways 1913-1917 as compiled by B. W. Fernald, Auditor.
- Supplement No. 12 - Analysis of Compensation paid Municipal Employees in the City of Oakland.
- Supplement No. 13 - Analysis of Compensation paid to Employees in Industries Generally in Oakland, Alameda and Berkeley.
- Supplement No. 14 - Status of Conductors, Motormen and Brakemen of the San Francisco-Oakland Terminal Railways as to Age, Compensation and Dependents.

(Original supplements on file with original report in office of Railroad Commission of California, State Building, Civic Center San Francisco, California) (17)  
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